

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, September 20, 2021

Mayor Schmidt called the meeting to order at 7:11PM.

Council Members Present: Chris Haver, Jason MacMillan, Jasmine Whelan, Ian Billick, Mona Merrill, and Mallika Magner

Staff Present: Town Manager Dara MacDonald, Town Attorney John Sullivan, and Town Clerk Lynelle Stanford

Chief Marshal Mike Reily, Public Works Director Shea Earley, Finance Director Rob Zillioux, Community Development Director Troy Russ, Parks, Recreation, Open Space and Trails Director Janna Hansen, and Town Planner II Mel Yemma (for part of the meeting)

Schmidt mentioned the preceding work session on the 6th and Butte Workforce Housing Draft Master Plan.

APPROVAL OF AGENDA

MacMillan moved and Magner seconded a motion to approve the agenda as presented. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

CONSENT AGENDA

1) September 7, 2021 Regular Town Council Meeting Minutes.

Staff Contact: Town Clerk Lynelle Stanford

2) Emma Coburn's Elk Run 5K Special Event Application Closing Elk Avenue from 1st Street to 4th Street and 3rd Street from the Alley South of Maroon Avenue to the Alley North of Sopris Avenue and 4th Street from Elk Avenue to Maroon Avenue and Maroon Avenue from 4th Street to 3rd Street and 3rd Street from Maroon Avenue to Butte Avenue and Butte Avenue from 3rd Street to Peanut Lake Road and 1st Street from Butte Avenue to Elk Avenue on Saturday, September 25, 2021 and Special Event Liquor Permit for September 25, 2021.

Staff Contact: Town Clerk Lynelle Stanford

3) Appointment of Election Commission.

Staff Contact: Town Clerk Lynelle Stanford

4) Comment Letter on Behavioral Health and Funding Committee.

Staff Contact: Town Manager Dara MacDonald

5) Presentation of the 2020 Financial Statements and Report of Independent Certified Public Accountants (Annual Audit).

Staff Contact: Finance Director Rob Zillioux

6) CC4CA Sign On Letter to Members of Colorado's Congressional Delegation on Climate Funding.

Staff Contact: Town Planner II Mel Yemma

Schmidt listed the items on the Consent Agenda. Schmidt removed the audit from the Consent Agenda, and discussion regarding the audit was added to New Business.

Haver moved and MacMillan seconded a motion to approve the Consent Agenda with the removal of the audit. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

PUBLIC COMMENT

Kent Cowherd - 901 Teocalli Avenue

- He thought the 6th and Butte project was a good effort with the renderings they saw.
- Providing 93 or 94 bedrooms would be an impact to the Town.
- Cowherd pointed out that Anthracite Place was a lot taller than the project at 6th and Butte would be.
- The flat roofed buildings on the corner would potentially be continued past the sledding hill.
- He appreciated that the project, as proposed, matched the proportion identified by the housing study.
- Every unit should have outside storage.
- He questioned BOZAR concerns.

Jim Day - 427 Maroon Avenue

- He asked about the charrette on the Whetstone property and how the project would dovetail into affordable housing in Town.

STAFF UPDATES

- Schmidt asked whether the Council should provide comments on the Whetstone parcel. He questioned how many school children would be provided because the school needed to know. He was concerned about traffic and toy and car storage. Whelan agreed the letter was a great idea. She would email her comments to MacDonald.
- Schmidt thanked for the continued efforts concerning the Post Office and for defining Town's boundaries at Irwin.
- Schmidt noted the RV dump station update. Earley reported on estimated costs for an RV dump station at Avalanche Park.
- Schmidt pointed out the date of December 2nd for the intergovernmental dinner.

- Merrill asked about responses for the Housing Specialist position.

LEGAL MATTERS

Sullivan informed the Council there would be a short lease amendment to the Visionary Communications lease. They found out after approval that Visionary could deliver 100MB to six of eight locations. There were two locations in which they could only deliver 50MB of service.

Whelan questioned the timeline for examining timeshare laws in Crested Butte. Sullivan stated that the challenge was focused on St. Helena's definition of timeshare, rather than on a use-based zoning regulation.

Magner questioned Green's sabbatical and the duration.

Schmidt recalled the report from Sullivan regarding Scenic Butte. Schmidt asked about the Town making a formal comment. Sullivan had not had a chance to confer about a letter sent to the applicant from the HOA. Hansen pointed out the update in the Manager's Report. Details of the proposed project were discussed.

PRESENTATION

1) Community Compass Overview, Process, and Timeline.

Staff Contact: Community Development Director Troy Russ

Russ updated on the timing and schedule of the Community Compass. He presented a flow chart depicting how the Community Compass would guide and control outcomes. Phase I involved information gathering and identifying priorities and core values. Staff would be doing outreach using innovative methods. The second phase was about developing the plan. Lastly, the plan would be packaged. The timeline for the Compass was between now and June. Whelan recommended various meeting times to best accommodate workers in the community, including service and retail workers. Russ and Yemma described plans for community engagement, including student involvement.

OLD BUSINESS

1) Discussion of Affordable Housing Tax Implementation Ordinance.

Staff Contact: Community Development Director Troy Russ

Zillioux reported on the implementation schedule for the proposed ballot measures. He would be presenting implementation considerations and next steps, and the Council would be discussing the implementation ordinance. Zillioux summarized what the Council voted on to put in front of voters, which were the: STR Excise Tax, Sales Tax, and the Community Housing Tax. Zillioux identified the collection mechanism of MUNIREvs. Magner questioned where, related to location, funds from the affordable housing fund could be used. Schmidt recognized the Town would run out of land. Haver

acknowledged Town funding would show community involvement. Approval from the Council and the public would be required for funding, and it would continue to be public process spending.

Zillioux focused on sales tax and working with Clark's and the health food store for the exemption of food for home consumption. Haver questioned standard practice for grocery stores in other states. Zillioux continued by mentioning that the Community Housing Tax would be \$2,500 as a flat rate. The frequency for the tax would be annual.

Zillioux mentioned the implementation and schedule of each tax. He reviewed the initial communication, mechanism, and initial due date of each tax. Zillioux provided a slide with a table of exemptions, penalties, and appeals for each tax. Schmidt had a problem with the appeal process for the Community Housing Tax. He thought people should at least be able to appeal to the Council and not just the Town's Finance Director. Sullivan pointed out the same appeal process was applied to all Town taxes. MacDonald elaborated that the role of the Staff was to administer. She was uncomfortable with a political body hearing an appeal. Sullivan summarized the process. Schmidt thought another Staff person reviewing would be better. Merrill called the (Community Housing) tax normal and lawful. The larger picture was they needed money to make differences in Crested Butte. Staff would update the Council regarding the appeal process.

Russ began by reviewing the exemptions on which there was consensus. Russ asked for clarity regarding the donation exemption. MacDonald informed the Council that donations could be effectuated through the Community Foundation. Magner did not understand why an owner would rather give to the affordable housing fund through the Community Foundation rather than paying the tax. She imagined it was a distrust of government. Haver identified there was the hope for a tax benefit. It had not raised giant red flags, but to do it through the Community Foundation seemed to be something they could appreciate. Schmidt reminded the Council of the need to bond. Billick did not think it was what people were asking for. He was concerned it was not what the intent was. Merrill was happy keeping the exemption. MacMillan picked up that people wanted the flexibility. He confirmed a future Council could modify. Schmidt also heard that people wanted flexibility. Magner and Haver were in favor of keeping the exemption. Whelan was torn, and she did not feel strongly either way. Staff would come back with information on whether the exemption would affect the Town's ability to issue bonds.

The next exemption considered was the owner of the taxable property had been the vested title property owner of record since 1980, 1990, 2000, 2010, or 2021. Russ listed the number of properties affected for each time period. Russ explained an alternative that the Town could dedicate an annual contribution to the Valley Housing Fund to administer a grant program to help homeowners in need of financial assistance with paying the tax. The Council was generally agreeable to the concept of a grant program. Haver recommended the Housing Authority for administration. Russ confirmed that neither length of ownership nor AMI would be exemptions, but Staff would move forward with the grant program. Russ outlined the next steps regarding the ordinance.

NEW BUSINESS

1) 2022 Budget Discussion.

Staff Contact: Finance Director Rob Zillioux

Zillioux presented a slide with the Council's vision statement and long-range goals. He focused on 2022 goals and priorities, including completing the Community Compass; initiating a North Valley solutions partnership; implementing housing policies and regulations; developing and implementing Town-wide traffic calming program; and continuing Climate Action Plan implementation. Zillioux listed and summarized each goal and priority. Billick suggested adding progress on the financial systems. Zillioux identified the Finance Department was mid-stream on implementing a new financial suite. Schmidt questioned the goal of initiating a North Valley solutions partnership.

Zillioux pointed out that heavy equipment purchases had been delayed from past years. There were a lot of high-level projects that would require one-off spending. Zillioux began with the review of the General Fund. The message was getting expenses locked down with possible room in revenue if trends continued to persist. The largest expense in General Government was Mountain Express, and the Western scholarship program was added. There was a lot of investment in IT infrastructure. Under the Marshals' budget, the costs for dispatch had been growing. The discussion became focused on dispatch fees, and Reily reported on infrastructure and the related fee increases. Zillioux outlined the new ERP (Enterprise Resource Planning) system. Zillioux reviewed Building/Planning/GIS and then Facilities. He noted the Council pay increase was included in the budget.

Zillioux summarized the Affordable Housing Fund, and he explained the fund should be paying its own way. The Town triplex needed to be discussed, as well as the CAP (Climate Action Plan) subsidy. The costs of moving buildings to Paradise Park were included. Whelan and MacMillan agreed the CAP subsidy was important. MacDonald stated that Staff would recommend proceeding with projects and utilizing reserves whether or not the tax passed. The sale of the house moved from 7th and Maroon could recover funds.

Zillioux reviewed the parks and the contribution of RETT funds to parks. Zillioux identified significant projects such as replacing vehicles. \$200K was earmarked each for the solar bellies and for the Rec Path Bridge Park. Zillioux outlined the General Capital Fund. There were going to be renovations to Town Hall and projects such as an assessment of the Town Ranch barn, chapel maintenance at the cemetery, and the ADA lift at Town Hall. Schmidt asked about work being done to the Town Ranch barn. MacDonald explained the focus would be on stabilization. Zillioux moved on to open space and that it was funded by RETT. Fencing for Town Ranch and Red Lady fire mitigation were included in the budget.

Next year would be a big year for the wastewater treatment plant with a lot of infrastructure. They were facing \$6M of projects for the next year. Staff was looking at

loans and grants, and Town would have to raise rates. The budget contemplated a 20% increase in water, sewer, and tap fees. Staff was long range planning regarding the Street and Alley Fund. Zillioux identified significant equipment purchases. The alley behind the Nickel and sign purchases was briefly discussed. Zillioux spoke regarding reserves. Billick was comfortable with a transfer over to affordable housing. MacDonald confirmed Zillioux could show the inter-fund transfer. Zillioux asked whether the Council wanted to put money aside for Mt. Emmons. MacMillan would prefer to bond for other things. The Council overall agreed with holding the money back for Mt. Emmons.

2) Presentation of the 2020 Financial Statements and Report of Independent Certified Public Accountants (Annual Audit).

Staff Contact: Finance Director Rob Zillioux

Schmidt did not recall material weaknesses in past audits. He asked whether the Town used a new audit company. Magner agreed there were disturbing things in the material weakness section. MacDonald and Zillioux felt strongly that Town needed to change auditors, and they brought the request to the Council last year. Some weaknesses were more challenging to address. Staff was quite happy with the audit, and MacDonald felt like they had a really good and fresh look at ways to make improvements. Magner identified it was worrisome, and she recognized the Town Finance Director could wire money single handedly with the absence of levels of approval. Billick commended Staff for rotating auditors. He stated it would be great to have a high-level overview of internal controls. Billick recommended the formation of an audit committee. MacDonald informed the Council she did not see anything glaring on which to be concerned.

Magner moved and Haver seconded a motion to approve the audit. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

3) Ordinance No. 18, Series 2021 - An Ordinance of the Crested Butte Town Council Granting a Conservation Easement to the Crested Butte Land Trust for Kikel Lot 3.

Staff Contact: Parks, Recreation, Open Space and Trails Director Janna Hansen

Schmidt read the title of the ordinance. Hansen provided background on the ordinance. She referred to the Baseline Documentation Report included in the packet. She reported the easement to be in line with other conservation easements, and the goal was to protect the property in its current form. The prohibited uses were not unusual. Schmidt confirmed how the transfer of property would be processed. Billick asked about educational uses on the easement. He wondered if there would be a conflict with a paid-for educational activity.

Magner moved and Whelan seconded a motion to set Ordinance No. 18, Series 2021 for public hearing at the October 4th meeting. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

4) 7th and Maroon Request to Investigate New Location.

Staff Contact: Community Development Director Troy Russ

Russ identified that it was determined the house was worthy of moving. He explained the processes, including BOZAR. Staff was asking for a budget amendment of \$15K for a structural assessment. Russ anticipated the home would be easier to move than the Haney house.

Magner moved and Haver seconded a motion to approve a budget amendment of \$15,000 from the Town's Affordable Housing Fund to investigate a possible relocation of the house located at 624 Maroon Avenue to Town property in Paradise Park for use as a permanent deed restricted unit or as a Town employee rental. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

5) Appointments to Boards and Committees.

Staff Contact: Town Clerk Lynelle Stanford

Billick posed the question of waiting until the election to reshuffle appointments. MacDonald pointed out the Grant Review Committee would typically accept grant applications in the next month or so. Haver volunteered to serve on the Grant Review Committee. Whelan was interested in joining the OVLC, and she reminded the Council of the request from the Gunnison Valley Housing Fund for a Council member appointee. She was also happy to serve on the Gunnison Valley Housing Fund. Magner suggested the Council have the discussion regarding the Gunnison Valley Housing Fund when they had time.

Merrill moved and MacMillan seconded a motion to put Chris on the Grant Committee and Jasmine on the OVLC Committee. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

COUNCIL REPORTS AND COMMITTEE UPDATES

MacMillan and Haver's emailed updates were acknowledged. Schmidt announced that CBMR was replacing the Peach Tree lift.

OTHER BUSINESS TO COME BEFORE THE COUNCIL

MacMillan recommended a thoughtful, coordinated response to the many emails received by the Council. MacDonald reminded the Council members they had to avoid conversation outside of publicly noticed meetings. MacMillan wanted to find a better way to respond. Haver oftentimes asked MacDonald to respond first. Magner explained how she responded.

MacDonald pointed out the Owl and asked the Council how had been working. The camera rotated based on sound, and it would show whoever was speaking.

Schmidt noted there was an Aperture sign on Town property, and there was a man who had been selling peaches outside near True Value.

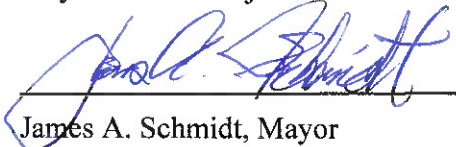
Schmidt asked when the parking restrictions would be done for the fall. Parking restrictions would end October 15th. Schmidt did not like it, and it did not accomplish anything. MacDonald explained follow-up discussions and the timeline for removal of the one-way on Elk and traffic calming on the side streets.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, September 27, 2021 - 6:00PM Special Meeting (Town Manager Review)
- Monday, October 4, 2021- 6:00PM Work Session - 7:00PM Regular Council
- Monday, October 18, 2021- 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 1, 2021- 6:00PM Work Session - 7:00PM Regular Council

ADJOURNMENT

Mayor Schmidt adjourned the meeting at 10:08PM.


James A. Schmidt, Mayor


Lynelle Stanford, Town Clerk (SEAL)

